REMARKS/ARGUMENTS

The Examiner is thanked for the performance of a thorough search.

By this amendment, Claims 1, 8-10, 12, 13, 15, 18, and 22-28 are amended, Claims 4 and 11 are canceled, and no claims are added. Hence, Claims 1-3, 5, 6, 8-10, 12, 13, and 15-28 are pending in the application. No new matter is added.

I. SOLE REJECTION

Claims 1-6, 8-13, and 15-28 were rejected under 35 U.S.C. § 102(b) as allegedly being anticipated by U.S. Patent No. 5,848,397 issued to Marsh et al. ("*Marsh*"). This rejection is respectfully traversed.

A. CLAIM 1

A method for determining which advertisements to include with electronic content delivered to users over a network, comprising an electronic content provider:

receiving a plurality of advertisements from a plurality of advertisers;

storing revenue information that indicates potential revenue amounts for a plurality of advertisements, wherein each of the plurality of advertisements is associated with corresponding delivery criteria;

associating each of the plurality of advertisements with a priority class, wherein the priority class associated with each of the plurality of advertisements indicates whether the corresponding advertisement is the subject of a guaranteed contract;

receiving, from a client that is not one of the plurality of advertisers, a request to provide over the network a piece of electronic content that includes a slot for an advertisement; and

in response to receiving the request, performing the steps of:

comparing slot attributes of the slot with the delivery criteria of the plurality of advertisements to determine a subset of the plurality of advertisements that qualify for inclusion in the slot,

wherein the slot attributes of the slot include at least one of (a) the nature of the piece of electronic content, (b) the size of the slot within the piece of electronic content, or (c) the placement of the slot within the piece of electronic content;

filtering, out of the subset of the plurality of advertisements, **advertisements** that have a priority class that is lower than the

> priority class of any other advertisement that belongs to the subset;
>
> selecting an advertisement from the subset of advertisements to include in the slot based, at least in part, on the potential revenue amounts. (emphasis added)

At least the above-bolded portions of Claim 1 are not taught or suggested by *Marsh*.

The Office Action cites col. 14, lines 25-27 of *Marsh* for disclosing "receiving a request to provide over the network a piece of electronic content that includes a slot for an advertisement" as recited in Claim 1. This is incorrect. That portion of *Marsh* merely states: "The server system 104 may receive advertisements from an advertiser 108." However, this portion of Claim 1 would require the server system 104 (i.e., the alleged electronic content provider) to receive, from a client that is not one of the advertisers, a request for content, which is clearly not the case in *Marsh*. Further, this portion of Claim 1 requires at least: (1) a request; (2) a piece of electronic content; (3) a slot included in the piece of electronic content; and (4) an advertisement. Nothing in this portion of *Marsh* can be equated to (2) or (3), i.e., the piece of electronic content and the slot, which is included in that piece of electronic content.

Indeed, to the extent that the client system 101 of *Marsh* requests content from server system 104, that content consists of emails. However, none of the emails include slots for advertisements. *Marsh* teaches away from advertisement slots in emails when *Marsh* states:

> **Significantly, the advertisements to be shown to system users are not in any way correlated with a user's e-mail. Thus, the advertisements can be regarded as context independent.** The e-mail messages come from a different source than that of the advertisements (e.g., e-mail messages originate from other network users, while the advertisements may originate from advertisers). There need not be any correlation between the number of e-mail messages sent and/or received and the number of advertisements transferred to or stored at the client computer. Indeed, in a representative embodiment, **the advertisements** are stored at the client computer in a different subdirectory from the e-mail messages, and **are not linked to any particular e-mail message or messages. Control of the display of e-mail messages is likewise independent from the control of the presentation of advertisements**; that is, the client program

> determines which advertisements to present and when, whereas the user determines which e-mail messages to read/write and when. (emphasis added)

Additionally, the only types of advertisements described in *Marsh* are banner advertisements and showcase advertisements. *Marsh* teaches that banner advertisements are displayed to a user during periods of off-line activity, whereas showcase advertisements are displayed to a user while a connection is being established with the server system 104 and while information is being transferred between the client system 101 and the server system 104 (col. 7, lines 1-6). However, neither banner advertisements nor showcase advertisements are included in a slot of a piece of electronic content that is requested by client system 101, as Claim 1 would require.

It naturally follows that because *Marsh* fails to teach or suggest that a piece of electronic content includes a slot for an advertisement, *Marsh* must also fail to teach or suggest that that slot has attributes, much less attributes that are compared with delivery criteria of a plurality of advertisements.

Claim 1 also recites that "the slot attributes of the slot include at least one of (a) the nature of the piece of electronic content, (b) the size of the slot within the piece of electronic content, or (c) the placement of the slot within the piece of electronic content." Even if *Marsh* did disclose that a requested piece of electronic content includes a slot for an advertisement (which *Marsh* does not), *Marsh* fails to teach or suggest that attributes of the slot include any of the attributes listed above.

Claim 1 also recites that the steps of comparing slot attributes and filtering advertisements are performed in response to receiving the request to provide the piece of electronic content. *Marsh* fails to teach or suggest that such steps are performed in response to

receiving a request, much less a request to provide a piece of electronic content that includes a slot for an advertisement.

Based on the foregoing, *Marsh* fails to teach or suggest all the features of Claim 1. Therefore, Claim 1 is patentable over *Marsh*. Reconsideration and withdrawal of the rejection of Claim 1 under 35 U.S.C. § 102(b) is therefore respectfully requested.

B. CLAIM 15

Claim 15 recites:

> A method for managing an inventory of **advertisement slots in electronic content**, comprising:
> **exclusively offering a first portion of the inventory to buyers** that satisfy a set of criteria; and
> offering a second portion of the inventory to buyers that are not required to satisfy the set of criteria,
> wherein the buyers that satisfy a set of criteria and the buyers that are not required to satisfy the set of criteria are advertisers that provide advertisements. (emphasis added)

Claim 15 recites "exclusively offering…the inventory [of advertisements slots in electronic content] to buyers." *Marsh*, on the other hand, is unrelated to offering anything to buyers (i.e., advertisers), much less an inventory of advertisement slots in electronic content. Even if *Marsh* taught that the email system offered advertisers the chance to advertise to users of the email system, *Marsh* fails to even suggest *how* the offering would be performed. Therefore, *Marsh* cannot teach that a first portion of an inventory of advertisement slots in electronic content is exclusively offered to buyers that satisfy a set of criteria and a second portion of the inventory is offered to buyers that are not required to satisfy the set of criteria.

The Office Action cites col. 9, line 66 to col. 10, line 29 of *Marsh* for disclosing Claim 15. This is incorrect. The Office Action highlights the terms "mutually exclusive" and "excluded advertisements" when quoting *Marsh*. However, those portions of *Marsh* are

completely unrelated to **offering** an inventory of advertisement slots in electronic content to buyers. Instead, those highlighted portions merely state that some advertisements may be for competing products and that a particular advertisement may be associated with a list of advertisements that will not be shown around the same time as the particular advertisement. Again, presumably the email system (or its operator) has already offered the advertisers of the banner and showcase advertisements the ability to present advertisements to users of the email system.

The Office Action also cites col. 9, lines 50-64 of *Marsh* as disclosing Claim 15. This is also incorrect. That portion states:

> A goal of the sorting process is to maximize the revenue that may be generated from each advertisement given the particular billing arrangements with the associated vendors, subject to a "no starvation" constraint. "Starvation" in this context refers, for example, to an advertisement reaching its expiration date without having reached its maximum number of exposures. (It will be appreciated that there is a cost in transferring advertisements from the server system 104 to client computers 101.) A less lucrative advertisement may be favored over a more lucrative advertisement if that less lucrative advertisement is nearing expiration. Yet another constraint on the sorting process may be that an advertisement nearer to reaching its maximum exposures is favored to make room in the advertisement queues for potentially more-lucrative advertisements.

This cited portion merely teaches the "no starvation constraint" and that some advertisements may be favored over other advertisements in certain situations (e.g., nearing expiration and reaching maximum exposures). However, this cited portion is also completely unrelated to how an inventory of advertisement slots in electronic content is **offered** to buyers (i.e., advertisers). Based on the correlation (on page 12 of the Office Action) of Claim 15 to portions of *Marsh*, it appears that the Examiner may be confusing *what* is offered and *to whom* the offering is made. Claim 15 is not about offering advertisements, nor about making an offering to the viewers of advertisements. Instead, Claim 15 recites offering an inventory of advertisement slots in electronic content to buyers (i.e., advertisers).

Lastly, the Office Action asserts that "in light of offering first portions, second portions, or less than entirely of second portions of inventory to potential buyers, meeting or not meeting criteria, being old and well known to a person having ordinary skill in the art of running a business" (page 12). However, not only does *Marsh* fail to even suggest how an inventory of advertisement slots in electronic content are offered to buyers, the Office Action fails to provide any evidence for the assertion that the specific limitations of Claim 15 are obvious.

Based on the foregoing, because *Marsh* fails to teach or suggest all the features of Claim 15, Claim 15 is patentable over *Marsh*. Reconsideration and withdrawal of the rejection of Claim 15 under 35 U.S.C. § 102(b) is therefore respectfully requested.

C. CLAIM 18

Claim 18 recites some of the features of Claim 1 discussed above that render Claim 1 patentable over *Marsh*. For example, Claim 18 recites receiving a request to provide a piece of electronic content that includes a slot for an advertisement. As another example, Claim 18 recites that a slot has slot attributes and recites at least three slot attributes that are listed above in Claim 1. Therefore, Claim 18 is also patentable over *Marsh*. Reconsideration and withdrawal of the rejection of Claim 18 under 35 U.S.C. § 102(b) is therefore respectfully requested.

D. CLAIMS 2, 3, 5, 6, AND 19-21

Claims 2, 3, 5, 6, and 19-21 are dependent claims, each of which depends (directly or indirectly) on one of the claims discussed above. Each of Claims 2, 3, 5, 6, and 19-21 is therefore allowable for the reasons given above for the claim on which it depends. In addition, Claims 2, 3, 5, 6, and 19-21 introduces one or more additional limitations. However, due to the fundamental differences already identified, to expedite the positive resolution of this case a

separate discussion of all those limitations is not included at this time, although the Applicants reserve the right to further point out the differences between the cited art and the novel features recited in the dependent claims.

E. CLAIMS 8-10, 12, 13, AND 22-28

Claims 8-10, 12, 13 and 22-28 are computer-readable storage medium claims, each of which depends on one of the claims discussed above. Each of Claims 8-10, 12, 13, and 22-28 is therefore allowable for the reasons given above for the claim on which it depends.

II. CONCLUSION

For the reasons set forth above, it is respectfully submitted that all of the pending claims are now in condition for allowance. Therefore, the issuance of a formal Notice of Allowance is believed next in order, and that action is most earnestly solicited.

The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application.

Please charge any shortages or credit any overages to Deposit Account No. 50-1302.

Respectfully submitted,

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